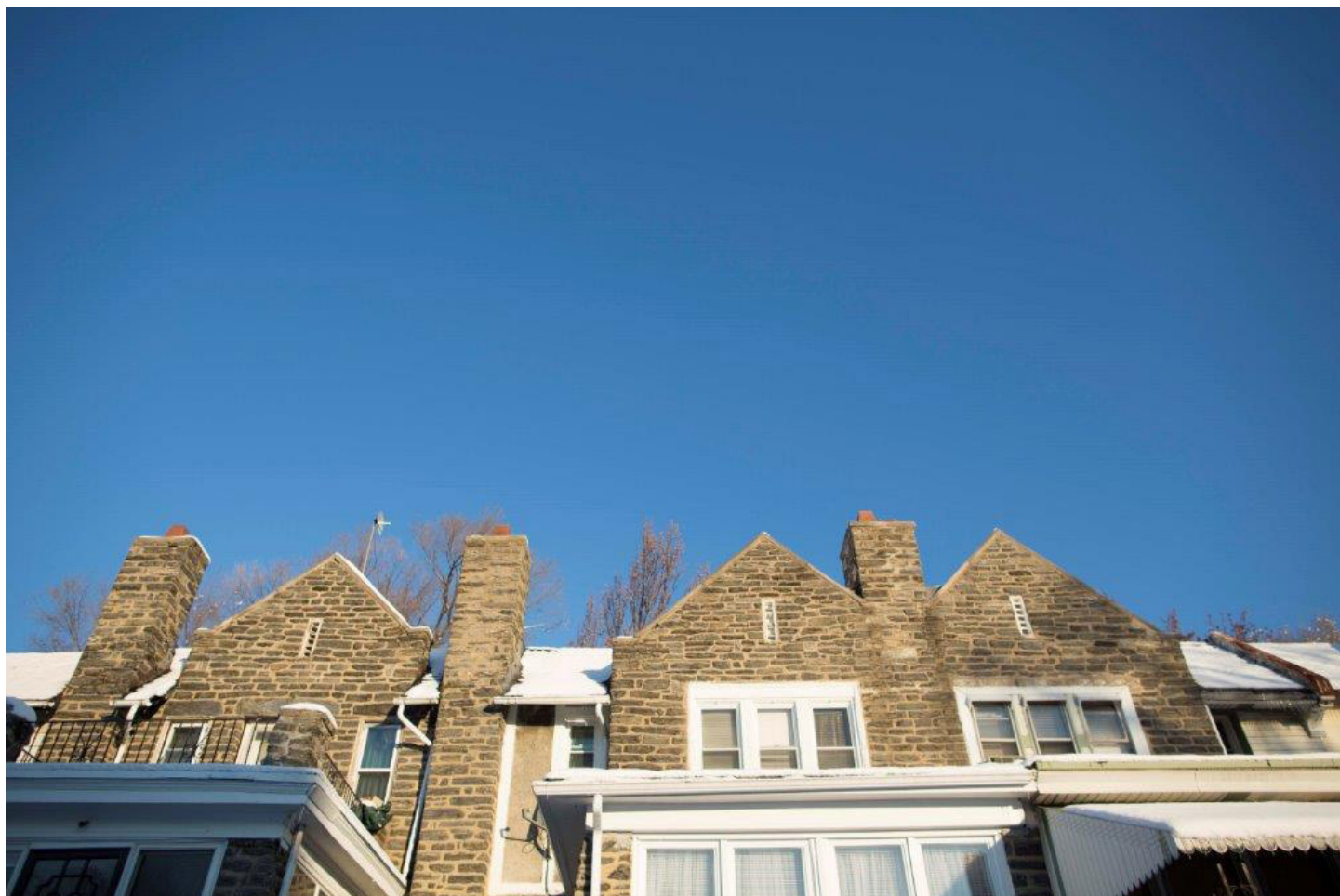


A report from



THE PEW CHARITABLE TRUSTS

| Feb 2014



Philadelphia's Changing Middle Class

After Decades of Decline, Prospects for Growth

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About The Pew Charitable Trusts

The Pew Charitable Trusts is a nonprofit organization that applies a rigorous, analytical approach to improve public policy, inform the public, and stimulate civic life. Pew's Philadelphia research initiative provides timely, impartial research and analysis on key issues facing Philadelphia for the benefit of the city's residents and leaders.

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Overview

The size of Philadelphia's middle class has essentially stabilized in the past decade after a period of prolonged decline, according to an analysis by the Pew Charitable Trusts of current and past data from the U.S. Census Bureau.

In 2010, 42 percent of the city's adults qualified as members of the middle class, as defined by household income, virtually unchanged from 43 percent in 2000. Both of those figures are down substantially from 1970, when the middle class made up 59 percent of Philadelphia and the city had 400,000 more inhabitants than it does now.

A vibrant and substantial middle class is widely considered essential for economic health and social stability in any community. The challenge for Philadelphia, operating in a climate of budget cutbacks and tax fatigue, is to maintain and grow its middle-class population without shortchanging the needs of lower-income residents. And in Philadelphia, those needs are vast.

The apparent stabilization of the middle class comes after an extended exodus that transformed the city's fundamental economic makeup. Over the past four decades, as Philadelphia's overall population dropped by nearly 22 percent, the city lost more than 4 in 10 of its middle-class adults. At the same time, the lower-income adult population rose by about a quarter and the higher-income adult population fell by about the same percentage.

For the purposes of this report, adult Philadelphians are considered middle class if they are part of a household with an income between 67 and 200 percent of regional median household income. Since the median income was \$61,579 in 2010, the range for that year was \$41,258 to \$123,157.

Today's middle-class Philadelphians are better educated and more likely to work in professional or service jobs than their counterparts of four decades ago and other city residents now.

And they are more racially diverse. In 1970, 74 percent of the adults living in middle-class households were white, 26 percent black. In 2010, the makeup was 54 percent white, 42 percent black, and 4 percent Asian and other groups. In this particular data set from the census, Hispanics are counted as whites, blacks, or members of other racial groups.

Where the middle class lives is different as well. At the beginning of the 1970s, more than 8 in 10 of the city's census tracts, including nearly all of Northeast Philadelphia, were predominantly middle class. By 2010, just over 3 in 10 fit that description, and most of them were clustered in the Northeast, the Northwest, and along City Avenue.

Over the course of those 40 years, the average number of people in a middle-class household in Philadelphia has changed from nearly three to less than 2½. The percentage of middle-class adults living alone increased from 19 to 38 percent, and those with children at home dropped from 43 to 33 percent.

The work performed by middle-class Philadelphians has also changed. Gone are many of the manufacturing and midlevel office jobs that vaulted thousands of residents into the middle class. Over the 40 years studied, the share of middle-class Philadelphians employed in finance and other business and professional services increased from 28 percent to more than half, a bigger increase than for residents of the city overall.

In the Philadelphia of several generations ago, one could sustain a middle-class existence without a high school diploma; 44 percent of the middle class did so, and only 8 percent had attended college for four years or attained a degree. Now only 8 percent of middle-class residents lack high school diplomas, while 35 percent have college or graduate degrees.

The size of Philadelphia's middle class is about the same share of the overall city population as in Baltimore, Boston, Chicago, Los Angeles, and New York. What makes Philadelphia different is that it has a higher percentage of lower-income residents than those cities and a lower percentage of higher-income ones.

Middle-class Philadelphians have some distinctive attitudes toward their city. In a poll conducted by Pew in July and August 2013, residents who identified themselves as middle class generally were more satisfied with life in the city than lower-income individuals but less satisfied than people at the higher end of the income scale. They also:

- Gave very low marks to the city's school system and were more supportive than were the other income groups of publicly funded charter schools, which have become a popular alternative to schools that are run by the School District of Philadelphia.
- Disliked taxes intensely. When asked if they generally prefer more services and higher taxes or fewer services and lower taxes, they chose the fewer services/lower taxes option by a larger margin than the other income groups.
- Felt neglected. All three income groups agreed that middle-class Philadelphians get less attention from city government than members of the lower or upper classes. Only 15 percent of middle-class residents said the government caters most to them.

Public officials often say that growing the middle class is a top priority. But with the middle class shrinking nationally and local budgets tight, the options for doing this are limited.

In Philadelphia, policies with appeal to middle-class residents include the 10-year tax abatement on housing construction and renovation, growth of charter schools, and development of amenities such as bicycle lanes and dog parks. Another policy approach is to help lower-income individuals move up the economic ladder through public investments in such areas as career education and workforce development.



According to the Pew poll, the prime concerns of the middle class matched those of most Philadelphians—public safety, job creation, and education—three of the toughest issues facing the city. And the poll suggests that a significant number of middle-class residents will leave if they do not see positive movement on these fronts.

What it means to be middle class

The middle class can be defined in many ways. Membership in the middle class is often based on adherence to a set of values and aspirations, or possession of a combination of social characteristics including occupational status and educational attainment. Primarily, though, class definitions are based on money. In this report, we defined Philadelphia's middle class in two ways.

When dealing with statistical data from the U.S Census Bureau and other sources, we considered adult Philadelphians to be middle class if they lived in households that had incomes ranging from 67 to 200 percent of the median household income for the entire Philadelphia metropolitan region; in 2010, with the regional median household income at \$61,579, that meant incomes from \$41,258 to \$123,157.¹ People below that range were considered lower class; those above the range were considered upper class.

This income definition comes from the Pew Research Center, which has done extensive research on the topic and chose this range because, when applied nationally using national median household income, it categorizes about half of the adult population as middle income.² Other organizations use different definitions. To determine the class breakdown in previous years, we followed the same procedure, using the regional median household income for each year.

In analyzing the results of our own polling, we relied on respondents' self-description of their social class. In the poll, respondents were asked to describe themselves as upper class, upper-middle class, middle class, lower-middle class, or lower class. Based on those answers, they were placed in one of three groups: upper (upper and upper-middle), middle, and lower (lower and lower-middle). Twelve percent wound up in the upper grouping, 40 percent in the middle, and 45 percent in the lower one. The rest did not respond. These proportions are similar in size to those based on income. For more details on the poll, see Appendix 2.

A healthy and substantial middle class is widely considered to be an asset for any city. Middle-class residents fuel the local economy through their spending power; they have more money than the lower class and are more numerous than the upper class. A strong, taxpaying middle class also provides fiscal balance for city government; the middle class both pays for and uses public services. In contrast, the poor tend to use more city services than they can support. And the wealthy, while being significant contributors to the economy and the tax base, may drive up prices for housing and other goods, potentially pricing others out.

In addition, a city with an abundance of middle-class jobs offers social and economic mobility for the general population. It provides avenues for members of the lower class to move up and a cushion for those who may slip out of the top tier.

Philadelphia Mayor Michael Nutter said the middle class provides stability and a sense of possibility in the city. "If you are in a lower socioeconomic class or struggling, you can hopefully see in your own neighborhood the benefits of being middle class and the opportunities to move up," he said. "It provides aspirations and inspiration."³

About the data

In this report, the most recent percentage for the city's middle class is most often reported as 42 percent of the overall adult population. At other times, it is reported as 43 percent of the total population because of the use of a different Census Bureau data source.

The historical comparisons at the core of the report are based on the Current Population Survey, or CPS, Annual Social and Economic Supplements, conducted each March by the U.S. Census Bureau and the Bureau of Labor Statistics. The CPS is a monthly survey of approximately 60,000 U.S. households.

Since the number of households surveyed in Philadelphia each year is relatively small, we grouped three years of CPS numbers around the start of each decade to reduce the margin of error. For example, data for 1970 are based on an average of aggregate CPS data from 1969, 1970, and 1971. As a result, our sample for determining what percentage of Philadelphians were in each class designation consisted of 4,159 individuals for 1970, 2,869 for 1980, 2,489 for 1990, 2,189 for 2000, and 1,820 for 2010.

Comparisons of current demographic and economic data among the three income groups (upper, middle, and low) in Philadelphia and comparable cities come from the Census Bureau's American Community Survey, five-year estimates from 2007 to 2011. In this data set, 43 percent of Philadelphians met our definition of middle class.

The income data have been adjusted for changes in household size. Average household size in Philadelphia declined from 2.9 people in 1970 to 2.2 in 2010. It takes less income for a smaller household to qualify as middle class. For more details, see Appendix 1.

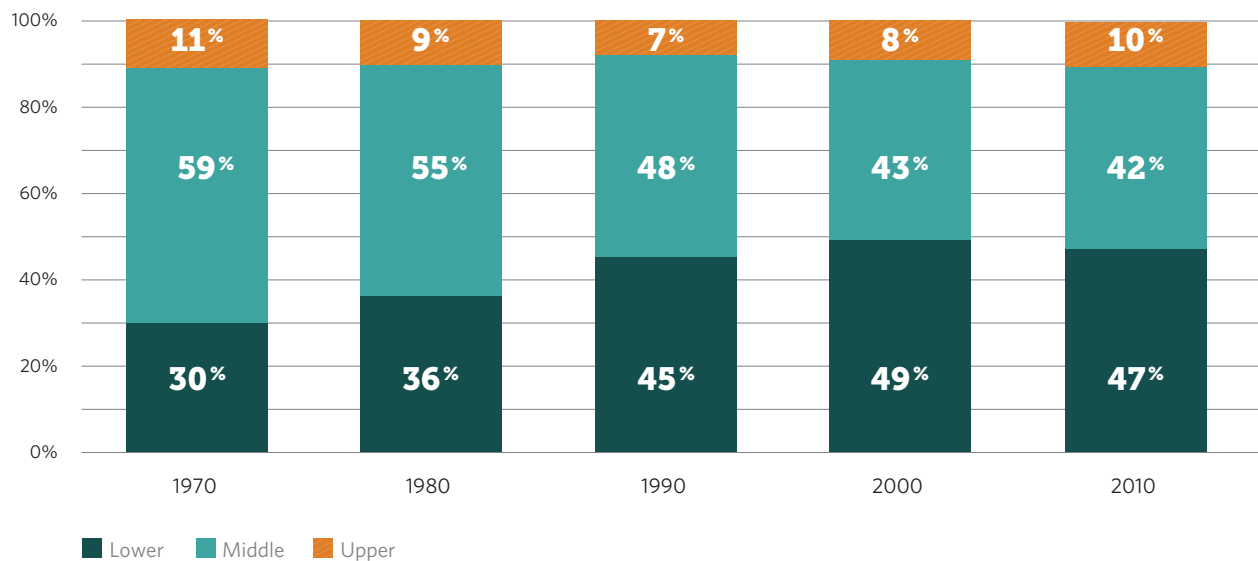
This report does not take into account household wealth, because government data are not available at the city level.

The changing size of Philadelphia's middle class

Based on the income definition, we found that the percentage of adults living in middle-class households in Philadelphia, which had declined for decades, has stabilized in recent years. Middle-class adults made up 42 percent of the city's adult population in 2010, well below the 59 percent share in 1970 but virtually the same as in 2000. (See Figure 1.)

During this period, Philadelphia's population fell nearly 22 percent, from 1,948,609 to 1,526,006, although it has risen somewhat in the past several years. The bulk of the loss was among middle-class residents, many of whom moved to the suburbs. Overall, the number of adults living in middle-class Philadelphia households decreased by 43 percent during this period. The number of households earning more than a middle-class income fell by 26 percent, while those in the lowest income group rose by 24 percent. (See Figure 2.)

Figure 1
Philadelphia's Class Makeup, 1970-2010

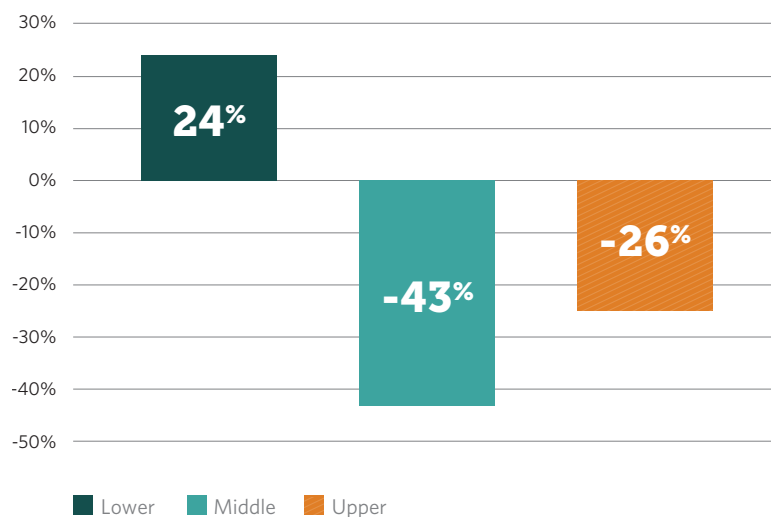


Philadelphia's middle class, as determined by income, shrank from 59 to 42 percent of the city's adult population between 1970 and 2010, although it essentially stabilized between 2000 and 2010. During the same 40-year-period, the share of adults living in lower-class households grew from 30 to 47 percent, and the upper class stayed about the same. The figures for 2010 do not add up to 100 percent due to rounding.

Source: Pew analysis of data from U.S. Census Bureau, Current Population Survey

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Figure 2
Change in Philadelphia's Adult Population by Class, 1970-2010



Between 1970 and 2010, when Philadelphia's overall population fell by 22 percent, the number of middle-class adults dropped by 43 percent. During the same period, the number of adults in households earning less than a middle-class income rose by 24 percent, and the number in the upper-income group declined by 26 percent.

Source: Pew analysis of data from U.S. Census Bureau, Current Population Survey

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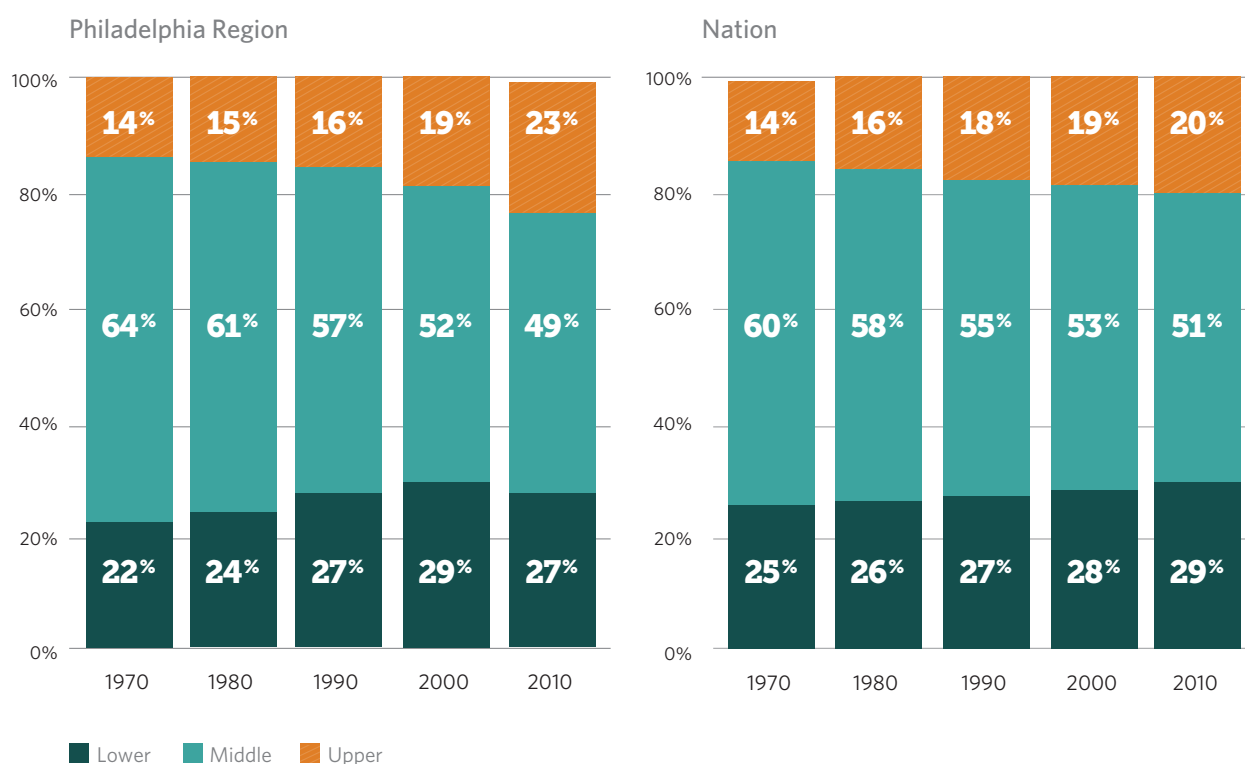
The change in Philadelphia's economic class makeup from 1970 to 2010 differed substantially from the surrounding region and the nation as a whole, though the reduction in the relative size of the middle class was a common thread.

In the city, the proportion of adults in the middle shrank from 59 to 42 percent over the four decades. Meanwhile, the share of those in lower-income households increased from 30 percent to 47 percent, and the upper-income group went from 11 to 10 percent—meaning Philadelphia got poorer.

Across the metropolitan region, including the city, the share of middle-class adults declined by 15 percentage points from 1970 to 2010.⁴ Over the same period, however, the proportion of upper-income adults grew by 9 percentage points and the lower class grew by only 5 points. Nationally, the percentage of middle-class adults fell from 60 to 51 percent. The top income group grew by 6 percentage points, while the share of lower-income adults increased by 4.⁵ (See Figure 3.)

Figure 3

The Class Makeup of the Philadelphia Region and the Nation, 1970-2010



The middle class, as defined by income, declined slightly more in the Philadelphia region between 1970 and 2010 than it did nationally. In the region, it fell from 64 to 49 percent; nationally, the drop was from 60 percent to 51 percent. (In the city, the decline was from 59 percent to 42 percent.) Over the same period, the share of upper-class adults in the region grew significantly. The Philadelphia regional figures for 2010 and national figures for 1970 do not add up to 100 percent because of rounding.

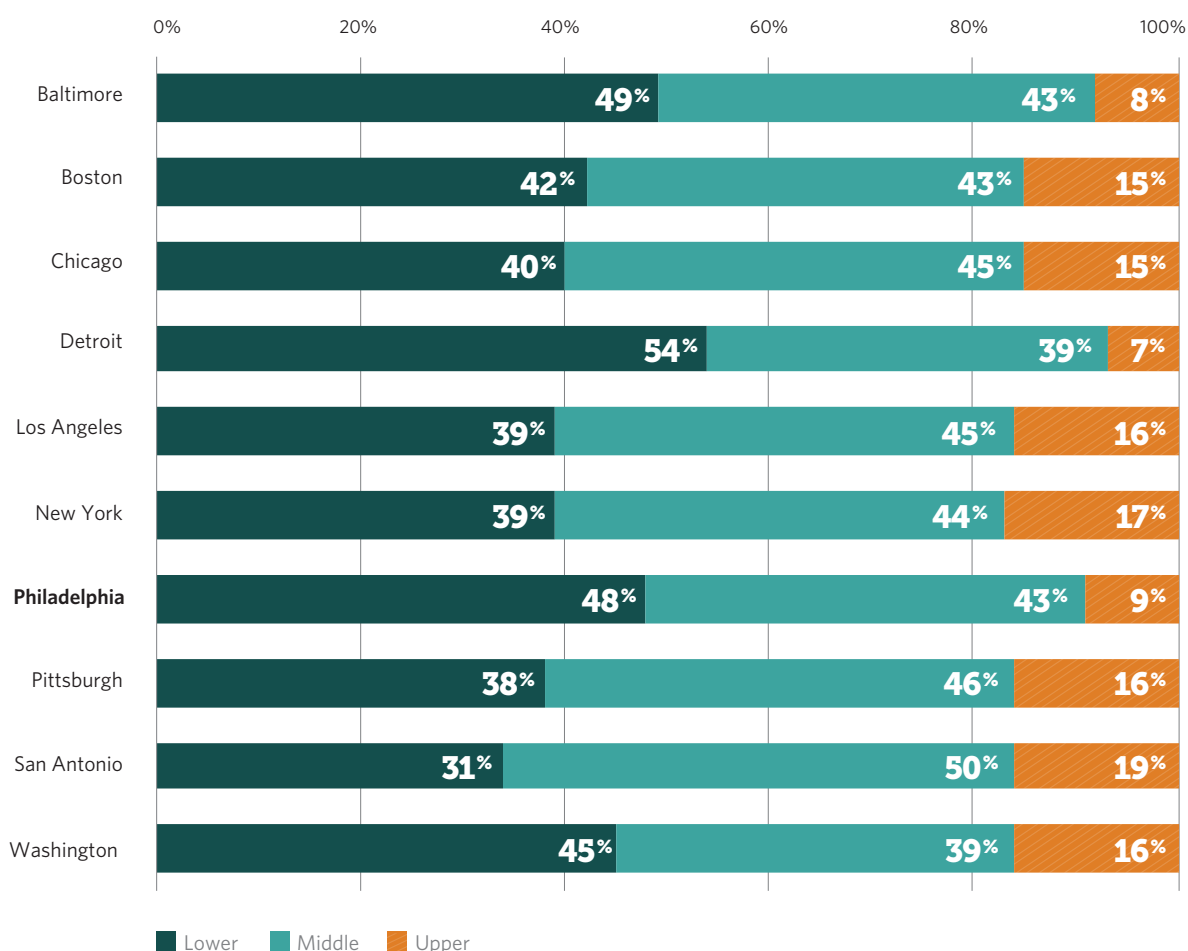
Sources: Pew analysis of data from U.S. Census Bureau, Current Population Survey

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While the size of the middle class has changed, the people in it now are doing better in terms of real income than their counterparts were doing 40 years ago. Over that period, the median income for Philadelphia households that fell into the middle-class range, as we defined it, rose from \$57,711 to \$67,430 in 2010 dollars, an increase of nearly 17 percent. In the nation as a whole, the median income for middle-class households rose by 34 percent, according to the Pew Research Center.

The middle class's share of the city population in Philadelphia is similar to that of a number of other major cities.⁶ (See Figure 4.)

Figure 4
The Class Makeup of Selected Large Cities



As a percentage of total population, Philadelphia's middle class is about the same size as those in Baltimore, Boston, Chicago, Los Angeles, New York, and Pittsburgh. But compared with most of the selected cities, Philadelphia has a larger share of residents in the lower class, as defined by income, and a smaller share of those in the upper class.

Source: Pew analysis of data from U.S. Census Bureau, American Community Survey, 2007-2011.

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In terms of relative size, Philadelphia's middle class is little different from those in Baltimore, Boston, Chicago, Los Angeles, New York, and Pittsburgh. Philadelphia has a larger middle class than do Detroit and Washington, a smaller one than San Antonio. The cities were chosen as a representative sample of large cities for which comparable data were available, with an emphasis on the Northeast.

Where Philadelphia differs from some of the other cities is in the share of its upper and lower classes. For instance, seven of the 10 cities in the chart have upper classes that account for at least 15 percent of the overall population; the other three—Detroit, Baltimore, and Philadelphia—have upper classes that are less than 10 percent of the population.

In the same three cities, the lower class accounts for roughly half of the overall head count. In the other seven, the percentage is significantly lower.

Joel Kotkin, a California-based urban development academic and author, said Philadelphia has the potential to grow its middle class if it can make progress on schools, crime, and unemployment. "Philadelphia has good bones," he said, noting the city's abundance of relatively affordable homes in lower-density neighborhoods with trees and parks. "I think Philadelphia's destiny is going to be as a lower-cost, more family-friendly and better middle-class place to live than, say, New York or San Francisco."⁷

Where the middle class lives in Philadelphia

The number of solidly middle-class neighborhoods in Philadelphia has declined over the past 40 years. And the location of middle-class neighborhoods today is different from 1970. (See Figure 5.)

Then, most of Philadelphia was made up of neighborhoods in which at least half of all families qualified as middle class; 81 percent of the census tracts in the city fell into this category.⁸ Much of South Philadelphia was middle class, and the same was true of West Philadelphia, the Northeast, and large sections of North Philadelphia, including Olney and Logan.

Four decades later, only 31 percent of census tracts were middle class. They were concentrated in the Northeast, the Northwest, in parts of South Philadelphia, Kensington, along City Avenue, and several neighborhoods near Center City. Much of North Philadelphia and the Lower Northeast had lower percentages of middle-class residents and higher percentages of individuals living below the poverty line than they did in 1970.

Over the same period, the number of middle-class census tracts that were majority African-American declined as well. But with the overall number of middle-class tracts declining, today's black majority tracts have gained added significance, representing 24 percent of city middle-class tracts, compared with 18 percent 40 years ago.

Home ownership among middle-class Philadelphians declined as well, from 84 percent in 1980, the first date for which data are available, to 72 percent in 2010.⁹

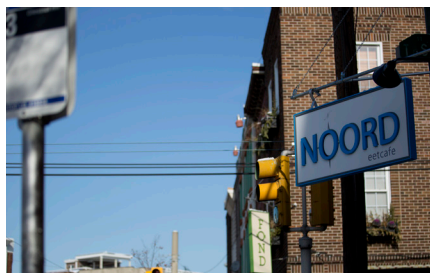
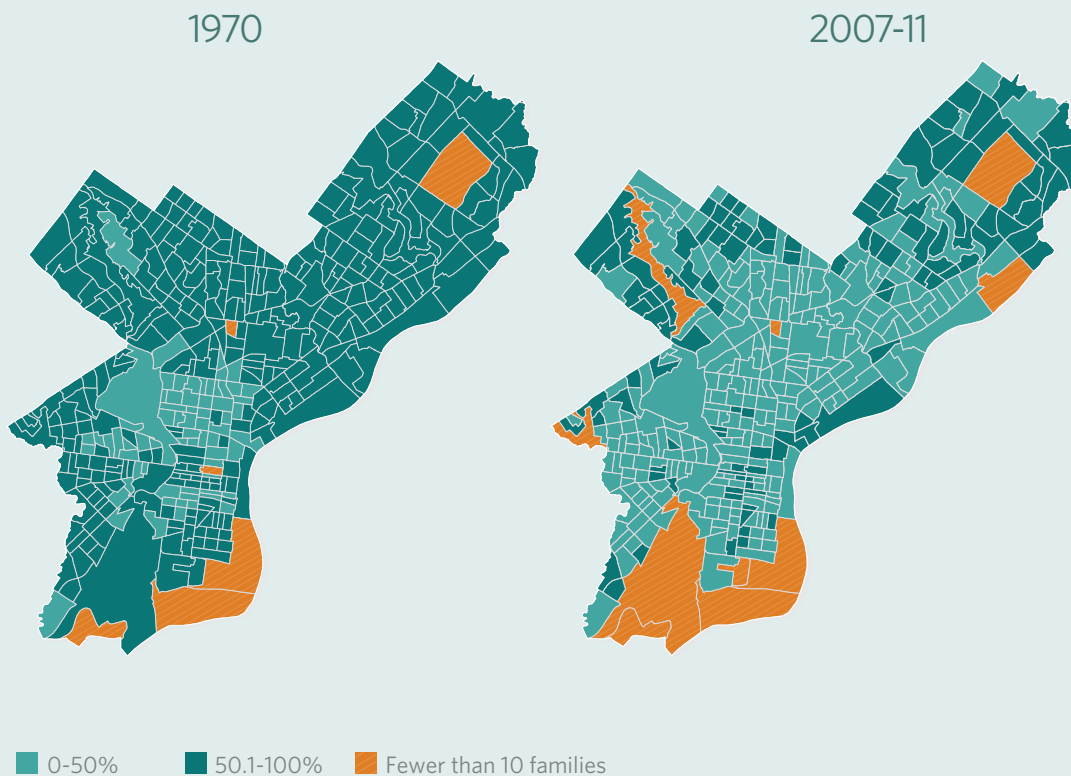


Figure 5

Percentage of Families in Philadelphia Qualifying as Middle Class by Census Tract

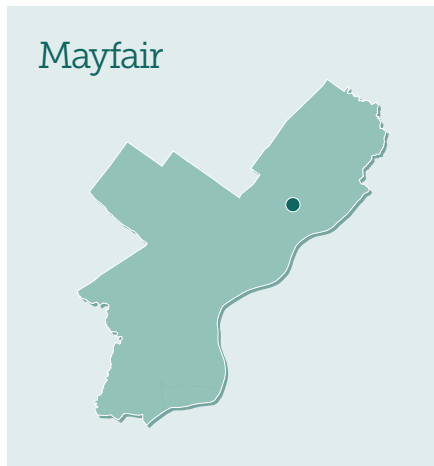


In 1970, Philadelphia was an overwhelmingly middle-class city; 81 percent of its census tracts had middle-class majorities. In a more recent data snapshot, only 31 percent of the tracts were majority middle class. The tracts marked “fewer than 10 families” consist of parkland or areas with extremely low populations.

Note: These maps are based on family income, which is not the same as household income. Middle-class family income for Philadelphia, defined as 67 percent to 200 percent of regional median family income, was \$51,974 to \$155,147 in 2010. On the 2007-2011 map, because of the limitations of the data, families were considered middle class if their incomes were in the \$50,000 to \$149,999 range. Middle-class income for 1970 was \$7,147 to \$21,330, and families were considered middle class if their incomes were in the \$7,000 to \$24,999 range.

Sources: Pew analysis of data from U.S. Census Bureau, American Community Survey, 2007-2011, U.S. Census Bureau, American Community Survey, 1970

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Joe DeFelice and Mayfair's changing middle class

Located in the heart of Northeast Philadelphia's Mayfair section, the Mayfair Diner, near the corner of Frankford and Cottman Avenues, is a chrome and neon icon of the city's middle class.

But Mayfair and Northeast Philadelphia have been changing. In 1970, the census tracts that make up Mayfair were the center of a great middle-class swath that stretched from Kensington to Bucks County. In 2010, that band had shrunk dramatically, leaving the Mayfair Diner near its southernmost edge. Sections of the Lower Northeast, of which Mayfair is part, had the city's highest increase in the percentage of people living in poverty between 1999 and 2009.¹⁰ Mayfair and Oxford Circle, which were virtually all white four decades ago, now make up the city's most diverse ZIP code: 44 percent of the population is white, 22 percent black, 17 percent Hispanic, and 13 percent Asian.¹¹

"The reality is Mayfair is not the Mayfair of the past, but we can embrace Mayfair as it is now," said Joe DeFelice, an attorney and past president of the Mayfair Civic Association.¹²

DeFelice lives a block and a half from the house where he grew up and where his mother still lives. His sister-in-law and mother-in-law



The reality is Mayfair is not the Mayfair of the past, but we can embrace Mayfair as it is now.”

—Joe DeFelice



moved onto his block in the past year and half. But his sister, another sister-in-law, and his brother-in-law are in the suburbs.

For Mayfair’s middle class, taxes are a contentious issue. Residents of the Northeast have long contended that they get less in city services than other parts of the city. In the Pew poll, respondents were asked if they would rather pay more in taxes and get more services or pay less for fewer services. Sixty-one percent of middle-class residents of the Northeast chose the lower-tax option, a larger percentage than for middle-class residents citywide or for all city residents.

DeFelice’s sister lives in Mount Laurel, NJ, where she pays about \$10,000 a year in property taxes and sends her children to public school. DeFelice pays only about \$2,000 in property taxes. But he pointed out that he also pays Philadelphia wage and business taxes and the cost of parochial education for one child. “And she’s got four bedrooms and a pool, and I’m in a twin,” he said. “Taxes definitely hurt.”

DeFelice knows that others in Mayfair are making the same calculation as his sister and leaving. Some construction workers have been moving to South Jersey and other nearby suburbs. Looser residency requirements for teachers and police officers may, over time, encourage more members of those groups to move out. And some homeowners who paid top dollar in the prerecessionary housing boom may leave if the market heats up again.

But DeFelice said he is not going anywhere. A graduate of Father Judge High School, he is sending his older son, who has autism, to a city charter school that is equipped to educate special needs students. His younger son goes to a local parochial school. “The suburbs are just not my cup of tea,” he said. “That’s not what I want for my kids. I want them to have a level of street smarts and hustle and all the education I got growing up in the neighborhood that I feel helped shape me.”

A profile of Philadelphia's middle class

Household composition

Between 1970 and 2010, the share of Philadelphia's middle-class adults who lived by themselves doubled, from 19 to 38 percent. While the share of adults living in two-person households stayed at 31 percent over the period, the share of adults living in households of three or more people fell from 50 to 31 percent. Similar changes occurred across class lines.

In 1970, most adults living in middle-class households—60 percent—were married. Forty years later, that was no longer the case. In fact, the same percentage—60 percent of middle-class adults—were unmarried.

Over the four decades, the percentage of middle-class adults living with their children declined from 43 to 33 percent, a smaller drop than in the city overall. The size of a typical middle-class household in the city declined as well, from 2.9 to 2.3 people.

Age

Philadelphia's middle class, like the U.S. population overall, has grown older. The median age for middle-class residents in the city was 31 at the beginning of the 1970s. It increased to 35 at the start of the 1990s and was 38 in 2010.¹³

Within age brackets, the middle-class share of Philadelphia's population has also changed.

- Younger than 18: In 2010, 20 percent of the middle-class population was younger than 18, down from 26 percent in 1970.
- 18 to 34: In 2010, 26 percent of the middle-class population was in this age group, down from 28 percent in 1970.
- 35 to 54: In 2010, 29 percent of the middle-class population was 35 to 54, up from 27 percent in 1970.
- 55 and older: In 2010, 25 percent of the middle-class population was in this age group, up from 20 percent in 1970.

Overall, the age distribution of the city's middle class has been similar to those of the region and the nation as a whole throughout the 40-year study period.

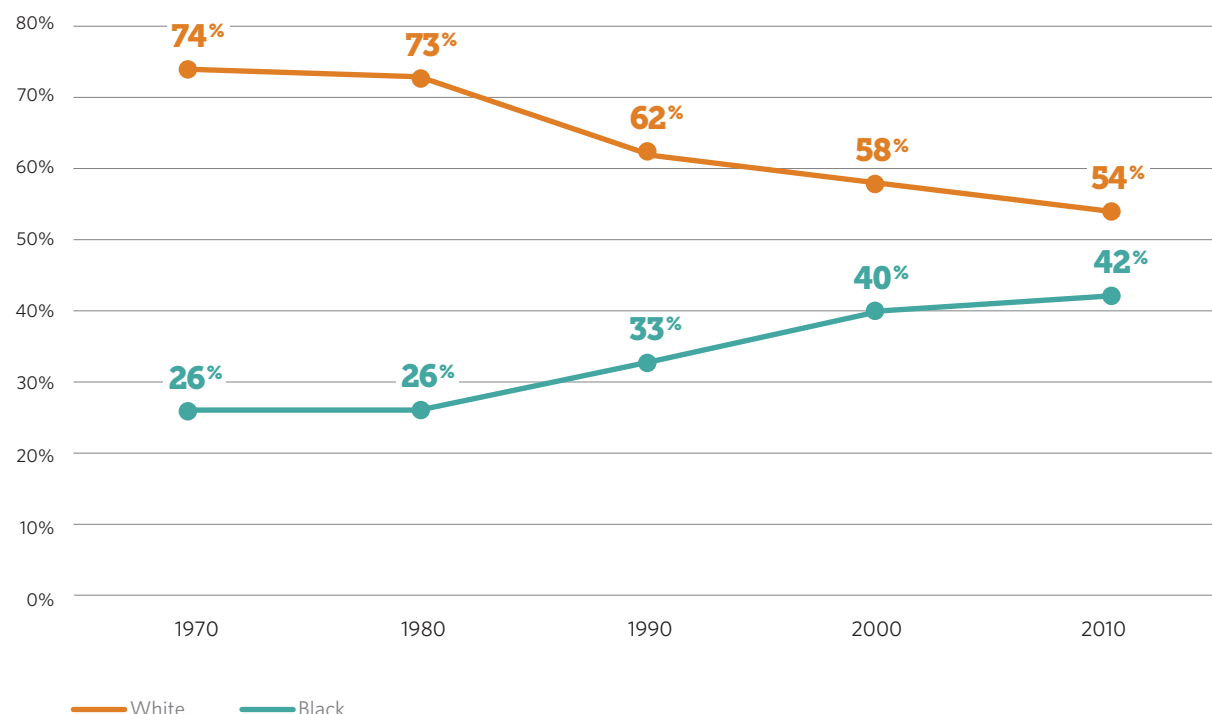
Race, ethnicity, and national origin

The middle class in Philadelphia has become more racially diverse.

Between 1970 and 2010, the percentage of middle-class adult Philadelphians who were white declined from 74 to 54 percent. Meanwhile, the share of the middle class that was black increased from 26 to 42 percent. (See Figure 6.)

Figure 6

The Racial Makeup of Middle-Class Philadelphia, 1970-2010



The share of middle-class adults in Philadelphia who are black increased from 26 to 42 percent from 1970 to 2010, while the share who are white fell from 74 to 54 percent. In this data set, Hispanics are identified by race and included in those categories; they are not counted separately. Starting in 1980, the survey identified small percentages of middle-class Asians and members of other groups; those numbers are not shown. The figure was 4 percent in 2010.

Source: Pew analysis of data from U.S. Census Bureau, Current Population Survey

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Other groups, including Asian and mixed-race residents, accounted for 4 percent of middle-class adults in the city in the latest count. In this data set, Hispanics are counted as white, black, or members of other racial groups. According to Pew's analysis of a different Census Bureau data set, one in which Hispanics in Philadelphia are counted separately, about 38 percent of them qualify as middle class, 59 percent as lower class, and 3 percent upper class.¹⁴ As for the city's foreign-born population, 44 percent live in middle-class households, 47 percent in lower-class households, and 9 percent in upper-class households.¹⁵



Wynnefield



Frances Aulston and Wynnefield's enduring middle class

When Frances Aulston moved with her husband and two young sons to middle-class Wynnefield from West Philadelphia in 1966, they were the second African-American family on the block in what was then a racially mixed neighborhood. There was no Baptist church, so she and six others founded one. She helped start a local cultural center, became active in the residents association, and served on the board of Settlement Music School, which opened a Wynnefield branch in 1990.

Today, Wynnefield remains a middle-class neighborhood—albeit with a much different racial makeup from what it once had. It is now 94 percent African-American.¹⁶

With its winding streets, graceful stone homes, and network of no-nonsense block captains, Wynnefield is holding its own. There are more renters and some overgrown lawns, and the streets are not as tidy as they once were. Crime is always a concern. But Wynnefield has managed to remain a place with well-established civic organizations and a sense of community.

“We have had a strong community of individuals who understand the importance of maintaining our residential persona and not



We have respected, traditional institutions, and they anchor the community.”

—Frances Aulston



having liquor establishments or things like that,” said Aulston, who retired as a city librarian in 1993.¹⁷ For a time, a number of people who grew up in the neighborhood in the 1960s and 1970s moved to the suburbs to raise their own children, said Aulston. Some have since moved back, she said, because of high suburban taxes, long and costly commutes, a sense of isolation, and “subtle, or sometimes blatant, racism.”

For now, Wynnefield’s middle-class identity remains largely intact. “We have respected, traditional institutions,” Aulston said, “and they anchor the community.”

Educational attainment

One of the most striking changes to Philadelphia's middle class over the past 40 years has been its increased level of education.

In 1970, 44 percent of the city's middle-class adults attained that status without a high school diploma. In 2010, only 8 percent of middle-class adults had not graduated from high school or received an equivalent degree.¹⁸

On the other end of the education scale, a much larger share of Philadelphia's middle-class adults now have college educations. In 1970, only 8 percent of the middle class had attended college for four years or attained a degree.¹⁹ In 2010, 35 percent of this group had at least an associate degree, including 7 percent who had earned graduate degrees. Overall, 22 percent of city residents had college or advanced degrees. The share of middle-class adults with a high school diploma, or equivalent, increased from 38 to 42 percent. (See Figure 7.)

Figure 7

The Educational Attainment Levels of Middle-Class Philadelphians, 1970-2010

	1970	1980	1990	2000	2010
Less than high school degree	44%	32%	21%	12%	8%
High school degree or equivalent	38%	44%	48%	36%	42%
Some college, no degree	10%	13%	16%	20%	15%
Four or more years of college	8%	11%	15%	32%	35%

In Philadelphia, the level of education attained by people earning a middle-class income increased dramatically between 1970 and 2010. In 1970, 44 percent of middle-class adults in the city were not high school graduates. Forty years later, only 8 percent of them did not have high school diplomas. Over the same time, the share of middle-class adults with four years of college or some sort of postsecondary degree increased from 8 to 35 percent. Those with only a high school diploma, or equivalent, increased from 38 to 42 percent, down from a peak of 48 percent in 1990.

Source: Pew analysis of data from U.S. Census Bureau, Current Population Survey

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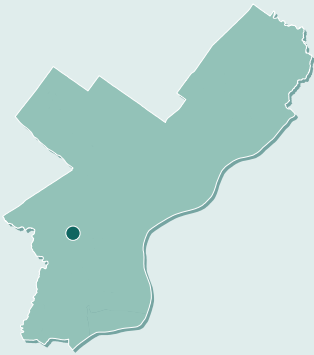


One of the most striking changes to Philadelphia's middle class over the past 40 years has been its increased level of education. Over that period, the percentage of middle-class Philadelphians with college degrees rose from 8 percent to 35 percent.





West Philadelphia



Cheryl James and the middle-class struggle for quality education

For Cheryl and Reginald James, a middle-class couple living in West Philadelphia, figuring out where to educate their five children has been a constant challenge.

Cheryl graduated from South Philadelphia High School, and the first two of her five children went to city public schools through sixth grade. "It was pretty rough for the children," she said. "There were fights and different things going on in school that I wasn't pleased with."²⁰

Deciding she could not rely on the public schools, she enrolled her oldest two children in a private school affiliated with her church and worked as a teacher's aide and in other jobs to help pay the tuition. All five of the kids attended that school at some point. But for her last two sons, she found another option. Anthony graduated from the Mastery Charter School Lenfest Campus in Center City. Asa is a junior at Boys Latin in West Philadelphia, another publicly funded charter school.

At various times, Cheryl and Reginald, a 30-year employee of the federal Defense Logistics Agency in Northeast Philadelphia, considered moving to New Jersey or even to the South. But the



It was pretty rough for the children. There were fights and different things going on in school that I wasn't pleased with."

—Cheryl James



schools they found, along with their ties to their church and their home, helped keep them in the city.

"Once we got to the Christian school and then the charters, we were pleased," said Cheryl. "Those schools had more supervision and attention for the children and communicated with me much better. The children knew that I was definitely up on what was going on with their education."

Anthony has gone on to study auto mechanics at the Community College of Philadelphia. Asa wants to earn a business degree in college and become an entrepreneur.

Education is important to the parents' own lives as well. Reginald earned his bachelor's degree and master's in business while working full time. Cheryl, who now works providing home care to the disabled, is a year away from earning an education degree. She wants to teach kindergarten or preschool—in a private or a charter school.

Making a middle-class income

The work performed by middle-class Philadelphians shifted dramatically over the past four decades. Changes in Philadelphia's industry sectors have shaped how residents earn middle-class incomes. Among those in the workforce, the share performing managerial and professional jobs grew while the share doing production jobs declined. Service employment increased, as did part-time work. Middle-class Philadelphians working in finance, real estate, insurance, and business and professional services increased from 28 to 53 percent, matching citywide trends. (See Figure 8.) The decline in manufacturing and construction was about the same for the middle class and all city residents.

There has been little change in the percentage of middle-class Philadelphians who work for government at all levels. The share was 10 percent in 1970 and 8 percent in 2010. For most of those 40 years, city employees were required to live in Philadelphia. In recent years, teachers and police officers negotiated the right to move outside the city. The residency requirement remains in place for other city workers.

Employment in Philadelphia has moved in two directions, diminishing the ranks of the middle class, said Steven G. Cochrane, managing director of Moody's Analytics, an economic research firm based in West Chester, PA. "One is the loss of middle-class manufacturing jobs, and the other is the rise in services," he said. "Some of the service jobs are well-paying, but there are a lot that are low-paying."²¹

According to data from the federal Bureau of Labor Statistics, if Philadelphia's total 2011 employment is divided by industry sector and average annual salary, two key sectors—leisure and hospitality, and trade, transportation, and utilities (which includes retail)—on average pay salaries that are not enough to push a household into the bottom rungs of the middle class. These two sectors represent 23 percent of employment in the city.

And within the service sector, some middle-class jobs are disappearing as routine, process-oriented work is automated, said Cochrane. Higher-paying jobs that require critical thinking are harder to replace with machines, and so are many lower-skilled, hands-on service jobs. "The pattern of job growth is a bit like a barbell," he said, "with hiring at either end, less in the middle."

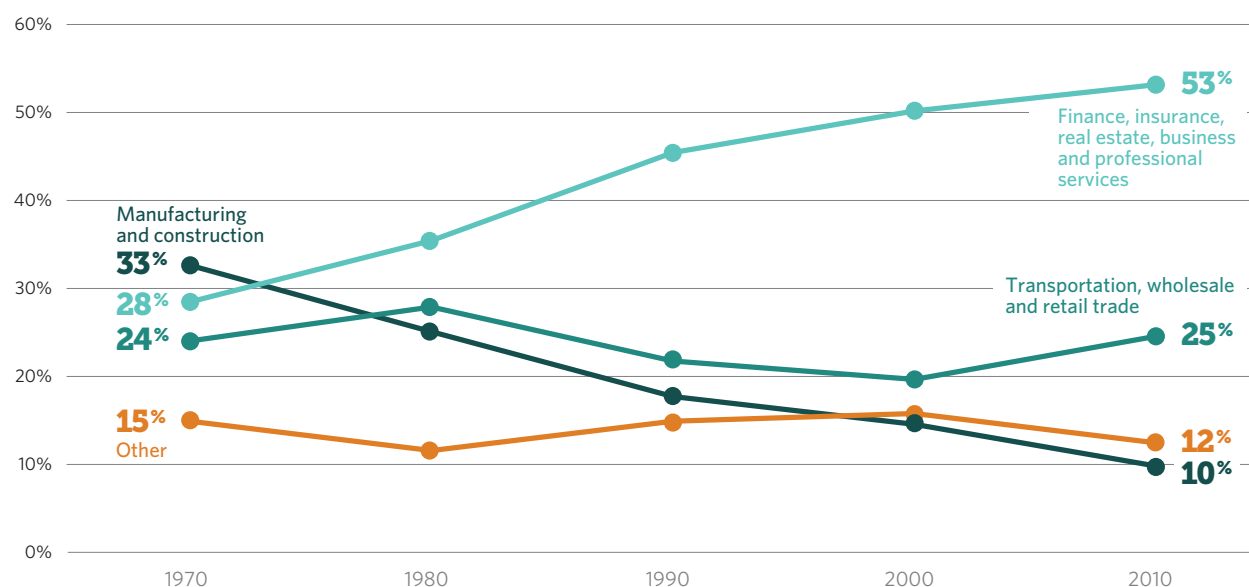
Another factor that has altered middle-class Philadelphia has been an increase in jobs in the suburbs. In 1970, total employment in Philadelphia's surrounding counties—Bucks, Montgomery, Chester, and Delaware—was 777,991. By 2011, it had nearly doubled to 1.59 million. Meanwhile, employment in the city dropped by 264,240 jobs, or 25 percent, according to the Bureau of Economic Analysis.

"Initially, people who had manufacturing jobs and lived in Kensington and Port Richmond and Frankford didn't need a car. They walked to work or took the bus or El downtown 50 years ago," said Roger D. Simon, who teaches urban history at Lehigh University. "Today a car is virtually an entry ticket to the middle class."²²

Pew's poll found that 67 percent of middle-class adults owned a car, nearly the same as for higher-income individuals and 20 points higher than for lower-income individuals. In general, middle-class residents polled said they were more satisfied with their jobs than not, 88 to 12 percent, which was nearly as high as the upper-income group, 90 to 10 percent. Lower-income residents said they were significantly less satisfied at work, 72 to 27 percent.

Middle-class respondents also said they viewed their work as a "career" rather than "just a job" by 49 to 31 percent. Upper-income respondents were more likely to see themselves in a career, 63 to 18 percent. For lower-income residents, it was the reverse. Fifty percent said they were at a job that was "just to get by," compared with 24 percent who said they were in a long-term career.

Figure 8
Middle-Class Employment in Philadelphia by Industry, 1970-2010



Among employed middle-class Philadelphians in 1970, the largest share, 33 percent, was in manufacturing and construction. By 2010, that share had fallen to 10 percent, making it the smallest major sector. Employment in white-collar work, such as finance or medical services, became the largest sector during the period, rising from 28 to 53 percent of middle-class employment.

Source: Pew analysis of data from U.S. Census Bureau, Current Population Survey

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Overall, the Pew poll found that a majority of middle-class Philadelphians had negative views of their personal financial situations. Fifty-five percent said they were in only fair or poor financial shape, compared with 45 percent who described their situations as good or excellent.

Class mobility

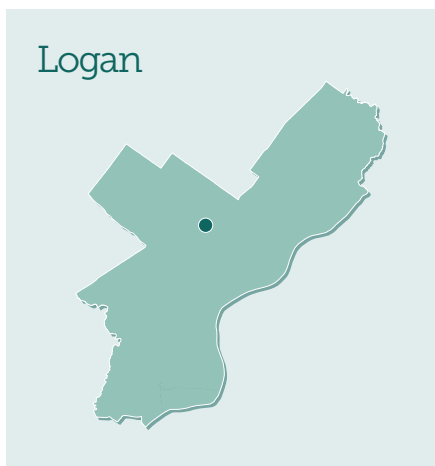
In the Pew poll, 59 percent of middle-class residents said they had always been middle class; 55 percent of lower-income residents said they had always been lower income; and 51 percent of upper-income individuals said they had always been upper income.

Of those in the middle class who said they had changed their status, 23 percent came from a lower-income background, and 17 percent had a higher-income history. Middle-class respondents were evenly split between those who said they were concerned about falling out of their current economic situation in the next few years and those who were not.

Middle-class blacks were more worried about maintaining their economic status. Fifty-nine percent of them said they were concerned about falling out of the middle class, while only 41 percent of whites were concerned. At the same time, members of the black middle class were more optimistic about their prospects in the long run. Nearly 70 percent expected to move into a higher class while only half of middle-class whites felt that way.



Logan



Leonard Press and memories of a middle-class Logan

In Leonard Press' mind, the neighborhood where he grew up remains, even if the reality does not. Hanging out at "the Hutch" on Hutchinson Street, which had a soda fountain, pinball machine, and jukebox. The comic books at George's Candy Store. Rosen's bakery. And Rube's, his favorite deli.

In 1970, Logan was a middle-class community where kids played wire ball in the back alleys, walked to the grand movie houses on Broad Street, and popped into neighbors' homes without knocking. Half to three-quarters of the families were middle class.

"It was an extremely warm and safe place to grow up," said Press, now an optometrist in northern New Jersey.²³

Today, the neighborhood across the street from Press' boyhood home at North 10th and West Loudon streets is gone, after 1,000 homes built on a faulty landfill were razed. Businesses have been replaced by storefront churches and child care centers that vie for low-income customers by offering free diapers. Thirty-eight percent of families in the neighborhood receive food stamps.²⁴

Press was born in Logan in 1952. His father also was an optometrist and had his office in his home. "It really was like 'Ozzie and Harriet.'



As much as I know what it is like now, I want to keep that image of what it was alive in my mind.”

—Leonard Press



Mom, Dad, and the two kids,” Press recalled. “It had already struck me around 1970 that the neighborhood was beginning to change.”

Initially, groups of African-American families began to move into some of the larger homes on Warnock Street. Real estate brokers plied the neighborhood encouraging longtime residents to sell before their property values fell. “In retrospect, it was unconscionable,” he said, “but that’s how it was.”

Press and his wife lived in an apartment in Logan for two years while he attended the nearby Pennsylvania College of Optometry. They moved to Northeast Philadelphia in 1975 because they no longer felt safe. Two years later, Press’ father sold his house and also moved to the Northeast.

Press recently went back to the house where he grew up. The hedges he maintained as a teenager and his mother’s old clothesline poles are still there. But the alley is now overgrown with weeds, and the entire neighborhood south of Loudon is vacant grassland.

Press writes reminiscences about Logan on Facebook, where others who grew up there gather to share memories. “As much as I know what it is like now,” said Press, “I want to keep that image of what it was alive in my mind.”

The attitudes of Philadelphia's middle class

For the most part, the Pew poll found that Philadelphia's middle class is satisfied with life in the city.

Sixty-four percent said the city is an excellent or good place to live, compared with 35 percent who found it only fair or poor. Their answers were more positive than those of lower-income respondents, less positive than those of the upper-income group.

This was typical. In their answers to three-fourths of the questions in the survey, middle-class Philadelphians wound up in the middle, between the groups above and below them on the income scale. And often, their answers were quite similar to those of all city residents polled. This was true on such questions as how they rated their neighborhoods (68 percent rated it good or excellent), whether the city had gotten better or worse in the past five years (a plurality said worse), and whether the city would improve in the next five years (a 2-1 majority said better).

Leaving the city

Thirty-four percent of middle-class residents said they definitely or probably will leave the city in the next five to 10 years, a result that is in keeping with the population as a whole. Those who said they expected to leave were asked why. The question was open-ended, not multiple choice, and respondents were permitted to give more than one answer.

Three reasons led the list: Crime, safety, and drugs at 25 percent; job and career issues at 24 percent; and problems with schools or raising a child in the city at 20 percent. Those were the same three reasons cited most often by the population as a whole.

Beyond those top responses, 13 percent of the middle-class residents contemplating moving out of the city said they would do so because of a general sense that Philadelphia was going "downhill." The same percentage said they would most likely move for personal reasons or because of family and friends. Twelve percent cited a preference for a suburban lifestyle, and 11 percent mentioned problems directly related to city government performance, such as the level of taxes and corruption and the quality of services.

In many respects, the middle class is less negative about Philadelphia than are low-income city residents. But with their greater economic resources, middle-class residents are more likely to be able to leave if they wish to.

Losing middle-class families is particularly damaging to the city's overall economic strength, said Karen L. Black, principal of May 8 Consulting, a policy research firm. While the overall percentage of middle-class residents has stabilized, the share represented by households with one or two children fell slightly between 2000 and 2010.

Young singles and older empty-nesters contribute to the city's economy, but adults in their prime child-raising years, ages 30 to 50, make significant investments in their homes, communities, and business and social networks, Black said. "That's when we would most benefit from having them here, and that's exactly when we are losing them," she said.²⁵

Schools

Middle-class Philadelphians' views of the public schools were quite similar to those of city residents as a whole. Nineteen percent of middle-class residents rated the public schools as doing an excellent or good job, compared with 16 percent of lower-income and 17 percent of upper-income residents. Seventy-six percent of middle-class

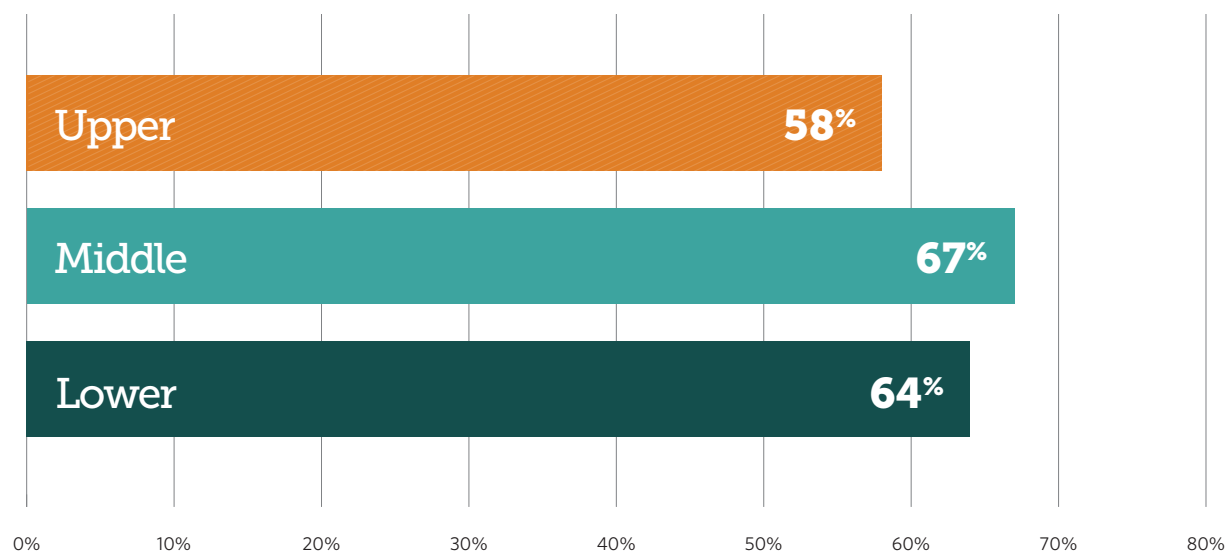
and 77 percent of upper-income residents rated the public schools as only fair or poor, and 81 percent of lower-class respondents agreed.

The survey also captured city residents' attitudes toward charter schools, which are publicly financed but operated privately. Charters have been gaining in enrollment as the number of students in district-run and archdiocesan schools has declined. In the 2012-13 school year, charters enrolled 60,695 students, up from 19,019 in 2003, while 143,210 attended district-run schools, down from 193,427 a decade earlier.²⁶ While there was widespread support for charters across all income groups in the poll, the middle class was the most likely to endorse these schools.

In the poll, respondents who said they had heard or read about charter schools were asked to react to two statements. One was a positive take on charters that said they "improve education options and help keep middle-class families in the city." The other said charters "take too much money away from the public schools and lack sufficient oversight." Sixty-seven percent of middle-class respondents agreed more with the positive message, compared with 64 percent of lower-income respondents (a similar result, given the poll's margin of error), and 58 percent of the upper-income group. (See Figure 9.)

Among adults with school-age children, middle-class Philadelphians were more likely to have at least one child in a Catholic school, 21 percent, compared with 11 percent of lower-income respondents and 13 percent of those in the upper-income bracket. Because of closings and new competition from charters, Catholic school enrollment in Philadelphia declined from 43,882 in 2003 to 22,913 in 2013.²⁷

Figure 9
Support for Charter Schools in Philadelphia, by Class



These numbers reflect the views of all poll respondents who said they were aware of charter schools and took the position that the schools improve education options and help middle-class families in the city.

Source: The Pew Philadelphia Poll
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Crime

For the most part, middle-class Philadelphians appear to feel relatively safe, particularly when compared with lower-income individuals—even though public safety was the top reason cited by members of the middle class who said they were likely to leave the city.

Eighty-eight percent of middle-class respondents said they feel secure in their homes at night, about the same as the upper class (90 percent) and far higher than the lower class (74 percent). Six of 10 middle-class residents said that police protection was good or excellent; about the same share of the upper class agreed but only about 4 of 10 members of the lower class shared that view.

In the past, high crime rates and the perception of high risk have been major factors in middle-class flight from Philadelphia, said Michael Katz, a University of Pennsylvania history professor. “Crime is less of an issue now,” he said. “In the 1980s, along with inadequate schools, it is what drove people out of the city.”²⁸

Taxes

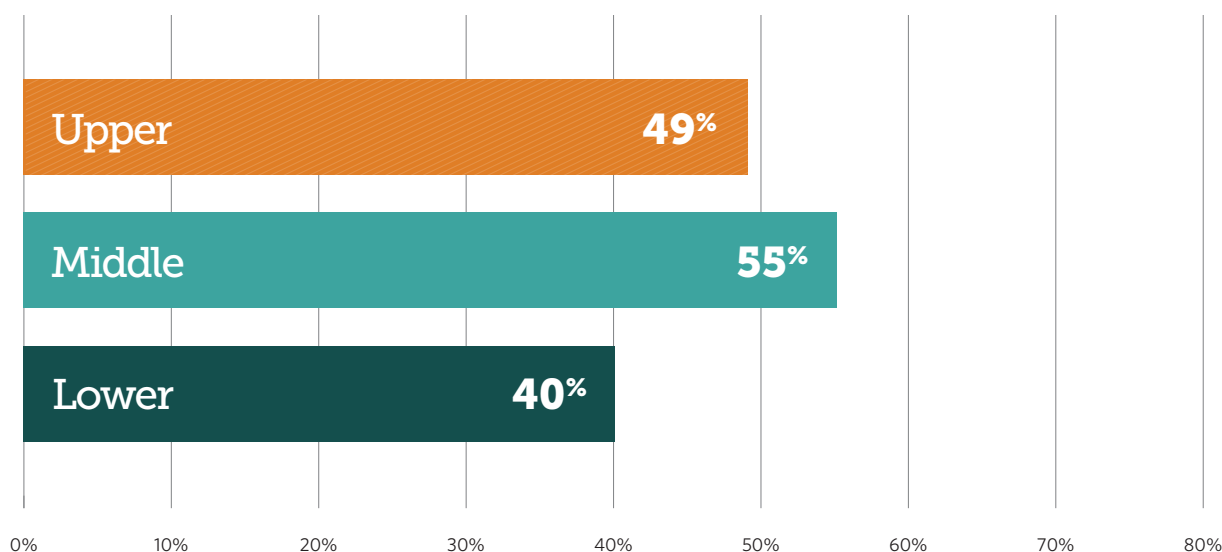
When it comes to paying for city services, the middle class is more opposed to paying higher taxes than the two other income groups.

When asked to choose between more government services and higher taxes, or fewer government services and lower taxes, middle-class respondents were the least likely to pick the more services/higher taxes option, at 39 percent. They also were the most likely to select the fewer services/lower taxes option, at 55 percent.

(See Figure 10.)

Figure 10

Philadelphians Who Prefer Fewer Services and Lower Taxes, by Class



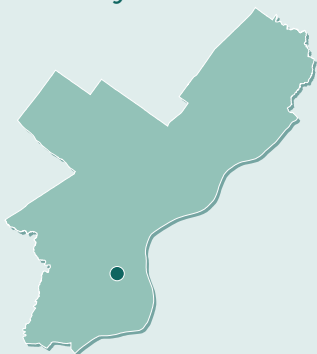
Source: The Pew Philadelphia Poll

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East Passyunk



Tom Longo and the new middle class in South Philadelphia

As East Passyunk Avenue slices through South Philadelphia, it passes through two retail universes. One serves the long-established South Philadelphia middle class, and the other caters to a newer version of the middle class.

Bella Baby Boutique sells girly pink tutus, while Cloth carries organic cloth diapers. DaVinci, a traditional Italian restaurant, neighbors Fond, which serves Wagyu steak with farro. In men's apparel, there is the veteran A Man's Image and newcomer Metro Mens Clothing.

"There's definitely a difference in the old and the new," said Tom Longo, who opened Metro Mens Clothing on the avenue four years ago.²⁹

South Philadelphia was largely middle class 40 years ago and remains so today. As in many other neighborhoods near Center City, the middle class here is different from that of the past. Increasingly, middle-class residents are single, well-educated, and working in management or professional fields.

In the triangular-shaped census tract bounded by Broad and Wharton streets and East Passyunk Avenue, the share of the



There's definitely a difference in the old and the new."

—Tom Longo



population with a graduate degree grew from 9 to 16 percent between 2000 and 2010. Over the same period, the percentage of households made up of people living alone or with nonrelatives increased from 52 to 63 percent.³⁰ Education, health care, and social services became the largest employment sector, displacing arts, entertainment, recreation, accommodation, and food service.

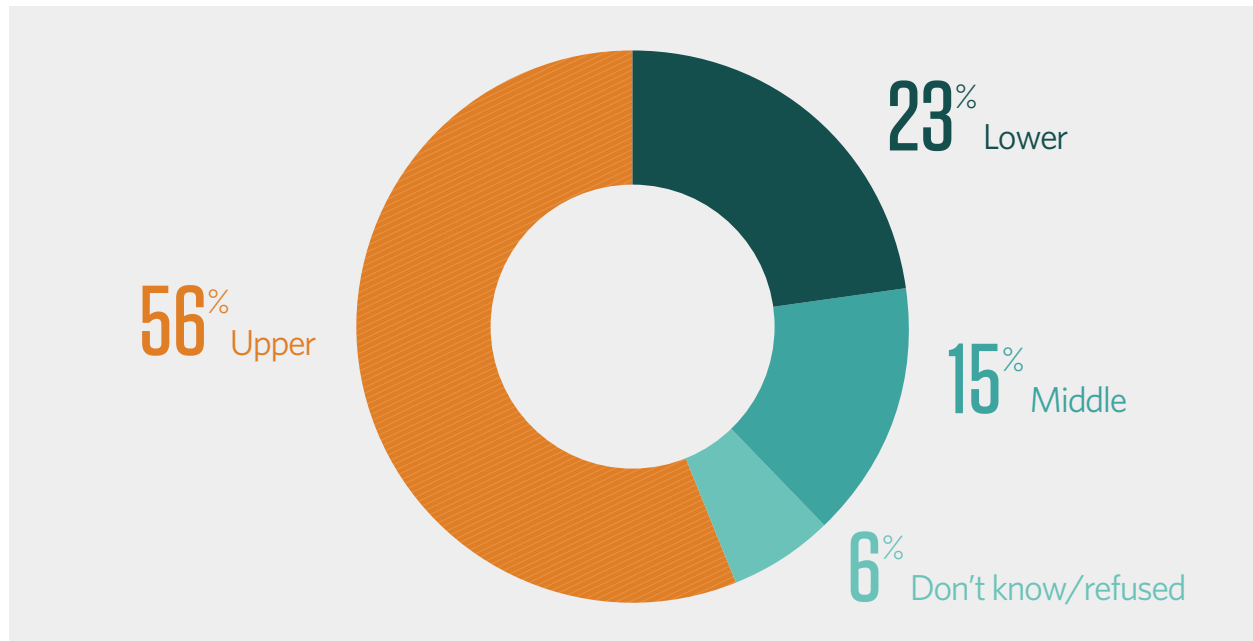
Longo, who moved to 12th and Wharton from South Street a year ago, describes his customers as hipsters, young couples just starting out, and gays. He had worked in sales for years but decided to try retail when he noticed the neighborhood changing. New residents and retail shops came after a wave of trendy restaurants. "The restaurants were necessary first. They were the pioneers," said Longo.

He knows that South Street and Manayunk also went through dramatic changes as independent restaurants and retailers grew so successful that they attracted national chains and other well-financed competition. For the time being, Longo said, the two middle-class faces of East Passyunk Avenue are able to coexist.

Policy considerations

The Pew poll found broad consensus that the middle class gets short shrift from city government. Fifty-six percent of all respondents said upper-class Philadelphians get the most attention from government, and 23 percent said lower-class residents do. Only 15 percent said the middle class received the most attention from city government—and middle-class residents agreed. (See Figure 11.)

Figure 11
Philadelphia's Neglected Middle Class



When asked which class gets the most attention from city government, only 15 percent of Philadelphians said the middle class. The majority said that the upper class gets the most attention.

Source: The Pew Philadelphia Poll

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Carolyn Adams, an urban policy professor at Temple University, said that the city would be well-advised to try to change that perception. In order to retain and attract middle-class residents, she said, city officials should focus more attention on the needs of middle-class enclaves—particularly those bordering suburbs. Lavea Brachman, executive director of the Greater Ohio Policy Center, said that state and federal cutbacks in local funding are making it politically easier for city officials in her state to selectively target still-viable but struggling neighborhoods—rather than spread resources through all communities “like peanut butter.”³¹

Making these sorts of choices, Adams said, is hard to do politically in Philadelphia, a city with limited resources and a large poor population in need of services. “It’s difficult to even talk about it in public policy circles,” said Adams, “because if you try to sustain the quality of middle-income places, advocates for the poor will see that as a strategy that devalues their constituency.”³²

As an example of this tension, Adams pointed to a partnership between the Center City District, a special services group financed by downtown businesses, and the School District of Philadelphia. In 2004, that partnership proposed a marketing program to encourage Center City parents to enroll their children in neighborhood schools. But critics complained that the campaign, if successful, could leave fewer seats in those schools for disadvantaged children who might come to the school from outside Center City. The school district effectively withdrew its support of the program in 2008.

Despite such conflicts, a number of cities, including Philadelphia, have some policies in place that make themselves more attractive to the middle class. Philadelphia's 10-year tax abatement for housing construction and renovation, which has expanded middle- and upper-income housing in neighborhoods throughout the city, can be seen in this context. State and city education policies enabling the growth of charter schools have been viewed, at least in some quarters, as an attempt to curb the flight of middle-class families. Development of other amenities—such as accessible waterfronts, bicycle lanes, and dog parks—appeal to the middle class.

In some cities, policies to protect the middle class have grown out of pressure brought on by an influx of higher-income residents. In New York, former Mayor Michael Bloomberg's administration allowed developers to add bonus space to buildings in newly rezoned sections of the city in exchange for including middle-income housing units. The city's new mayor, Bill de Blasio, wants inclusion of these units to be mandatory. Washington used to have the Home Again initiative, a program with some success in offering vacant and blighted city-controlled properties for low prices to developers who promised to create low- and moderate-income housing.

Nongovernmental entities have also played a role in retaining and attracting the middle class in cities. Large-scale redevelopment programs in Detroit and Baltimore, led by major hospital and educational employers, with support from local government and foundations, have created middle-class housing and jobs near their own properties. In Philadelphia, the University of Pennsylvania has assisted employees buying homes in University City and partnered with the School District of Philadelphia to create the Penn Alexander neighborhood school.

A different and far more ambitious approach is to attempt to grow the middle class from the large existing pool of lower-income residents. This requires increased spending on workforce development and career education beyond the traditional K-12 schools. In Philadelphia, the city currently funds about 15 percent of the Community College of Philadelphia's budget, down from about a third in years past. It also spearheads programs such as the mayor's 10,000 Summer Jobs Challenge for youth and Graduate Philadelphia!, which aim to get residents with some college experience to complete their degrees. But success in these sorts of programs is widely seen as difficult and costly.

Mayor Nutter said policies that both reduce poverty and benefit the middle class are essential for Philadelphia's future. "The folks in the middle have options," he said. "They can move from one part of the city to another, but the next move might be out of the city altogether."³³

With its middle-class population seemingly stabilized for the first time in decades, this is a key time for Philadelphia. Pew's poll suggests that one way to appeal to the middle class and to those who aspire to middle-class status is to take care of the essentials—schools, jobs, and public safety—and to do so as cost-effectively as possible; in that sense, there is no special middle-class agenda. While none of those goals will be easy to achieve, all of them have broad appeal. And the potential reward for the city is great: not just stability but, perhaps, the expansion of Philadelphia's middle class.

Appendix 1: Methodology for income analysis

The Current Population Survey microdata used in this report are from the Integrated Public Use Microdata Series, or IPUMS, provided by the University of Minnesota. The IPUMS assigns uniform codes, to the extent possible, to data collected in the CPS over the years. More information about the IPUMS, including variable definition and sampling error, is available at <http://cps.ipums.org/cps/documentation.shtml>.

Adjusting income for household size

Household income data reported in this study are adjusted for the number of people in a household. In addition to comparisons across households at a given point in time, this adjustment is useful for measuring how the income of households changes. Average household size in Philadelphia fell from 2.9 people in 1970 to 2.2 in 2010.

For this report we used the following method to adjust for changing household size in Philadelphia, the region, and the nation that takes into account economies of scale in consumer expenditures. For example, a two-bedroom apartment may not cost twice as much to rent as a one-bedroom apartment. For that reason, most researchers make adjustments for household size using the method of “equivalence scales” (Garner, Ruiz-Castillo, and Sastre, 2003; and Short, Garner, Johnson, and Doyle, 1999). A common equivalence-scale adjustment is defined as follows:

Adjusted household income = Household income / (Household size)^N

By this method, household income is divided by household size exponentiated by N, a number between 0 and 1.

Note that if N = 0, the denominator equals 1. In that case, no adjustment is made for household size. If N = 1, the denominator equals household size, and that is the same as converting household income into per capita income. The usual approach is to let N be some number between 0 and 1. Following other researchers, this study uses N = 0.5, which means that household income is divided by the square root of household size—1.41 for a two-person household, 1.73 for a three-person household, 2.00 for a four-person household, and so on. Once household incomes have been converted to a “uniform” household size, they can be scaled to reflect any household size. The income data reported in this study are computed for three-person households, the closest whole number to the average size of a household in Philadelphia, the region, and the nation since 1970. That is done as follows: Three-person household income = Adjusted household income * ([3]^{0.5}). Adjusting for household size has an effect on trends in income since 1970, but once the adjustment has been made, it is immaterial whether incomes are scaled to one-, two-, three-, or four-person households. The same results would emerge with respect to the trends in the well-being of lower-, middle-, and upper-income groups.

Appendix 2: Poll methodology

The Pew poll was conducted by telephone between July 23 and Aug. 13, 2013, among a citywide random sample of 1,605 city residents 18 and older. Interviews were conducted with 575 landline users and 1,035 cellphone users to reach a broad representative sample of Philadelphians.

The final sample was weighted to reflect the demographic breakdown of the city. The margin of error for the entire sample is approximately +/- 2.5 percentage points. The margin of error is higher for subgroups. Surveys are subject to other error sources as well, including sampling coverage error, record error, and respondent error.

Abt SRBI Public Affairs designed the survey and conducted all interviewing, working with Cliff Zukin, veteran pollster and professor of public policy and political science at Rutgers University.

Appendix 3: Top-line results for selected poll questions

Q: How would you rate Philadelphia as a place to live?

	Lower class	Middle class	Upper class
Excellent	13%	17%	28%
Good	38%	47%	49%
Only fair	33%	28%	17%
Poor	16%	7%	6%

Q: All things considered, as a place to live, do you think Philadelphia has gotten better or worse than it was (5 years ago or when you first moved in), or has it stayed about the same?

	Lower class	Middle class	Upper class
Better	22%	27%	35%
Worse	43%	35%	22%
Same	31%	36%	39%

Q: Thinking of the future, do you think Philadelphia will be better or worse as a place to live 5 years from now?

	Lower class	Middle class	Upper class
Better	47%	52%	69%
Worse	31%	25%	14%
Same	8%	11%	8%

Q: Please rate as it applies to the city of Philadelphia: police protection.

	Lower class	Middle class	Upper class
Excellent	9%	11%	20%
Good	30%	46%	42%
Only fair	37%	32%	25%
Poor	24%	10%	12%

Q: How would you rate the job public schools are doing in Philadelphia?

	Lower class	Middle class	Upper class
Excellent	4%	3%	5%
Good	12%	16%	12%
Only fair	25%	28%	24%
Poor	56%	48%	53%

Q: I'm going to read you two statements about charter schools and would like you to tell me which one you agree with more.

	Lower class	Middle class	Upper class
Charter schools improve education options and help keep middle class families in the city.	64%	67%	58%
Charter schools take too much money away from the public schools and lack sufficient oversight.	26%	24%	31%

Q: In general, if you had to choose between more government services and higher taxes, or fewer services and lower taxes, which would you choose?

	Lower class	Middle class	Upper class	Middle-class residents of NE Philadelphia
More services and higher taxes	41%	39%	53%	31%
Fewer services and lower taxes	49%	55%	40%	61%
Depends	6%	3%	3%	4%

Q: Which group do you think gets more attention from city government?

	Lower class	Middle class	Upper class
The lower class	17%	29%	32%
The middle class	13%	15%	20%
The upper class	65%	51%	40%
Don't know/refused	5%	4%	9%

Q: How would you rate your own personal financial situation?

	Lower class	Middle class	Upper class
Excellent	1%	6%	23%
Good	10%	39%	41%
Only fair	44%	42%	22%
Poor	45%	13%	13%

Q: How satisfied with your job are you?

	Lower class	Middle class	Upper class
Very satisfied	28%	42%	58%
Satisfied	44%	46%	32%
Somewhat dissatisfied	18%	7%	6%
Very dissatisfied	9%	5%	4%

Based on 795 employed respondents

Q: Do you think of your current job as...?

	Lower class	Middle class	Upper class
A career	24%	49%	63%
A steppingstone to a career	25%	19%	19%
Or just a job to get you by?	50%	31%	18%

Based on 795 employed respondents

Q: How would you rate your neighborhood as a place to live?

	Lower class	Middle class	Upper class
Excellent	13%	27%	45%
Good	30%	41%	30%
Only fair	35%	26%	17%
Poor	21%	6%	8%

Q: Why do you think you will leave the city?

	Lower class	Middle class	Upper class
Job/career	33%	24%	30%
Crime/safety/drugs	28%	25%	14%
Schools/child upbringing	25%	20%	24%
Prefer suburban lifestyle/tired of living in city	11%	12%	6%
Politics and government reasons/taxes/government services/corruption	13%	11%	9%
Family/friends/personal reasons	11%	13%	17%
City going downhill/dying/decreasing quality of life	17%	13%	16%
Other (specify)	5%	7%	8%
Don't know/refused	1%	2%	4%

Based on 566 respondents who said they will definitely/probably not be living in Philadelphia in 5 to 10 years

Q: How safe do you feel in your neighborhood when you are in your home at night?

	Lower class	Middle class	Upper class
Completely safe	28%	42%	50%
Pretty safe	46%	46%	40%
A little unsafe	19%	10%	7%
Not safe at all	7%	2%	3%

Q: Have you, yourself, ever been in a higher or lower economic class than you are today or have you always been in the same class?

	Lower class	Middle class	Upper class	Black middle class
Yes, higher	32%	17%	8%	18%
Yes, lower	11%	23%	40%	21%
No, always the same class	55%	59%	51%	61%

Q: How concerned are you about falling out of your current class over the next few years. Are you...?

	Lower class	Middle class	Upper class	Black middle class
Very concerned	39%	25%	16%	31%
Somewhat concerned	22%	26%	20%	28%
Not very concerned	17%	21%	29%	17%
Not at all concerned	21%	28%	34%	24%

Based on 1,360 respondents, lower-middle class or higher

Q: Do you currently have a car in the city?

	Lower class	Middle class	Upper class
Yes	47%	67%	66%
No	53%	33%	33%

Q: How likely is it that you will be in a higher class at some point in your life?

	Lower class	Middle class	Upper class	Black middle class
Very likely	33%	25%	27%	35%
Somewhat likely	31%	34%	36%	34%
Somewhat unlikely	15%	19%	22%	16%
Very unlikely	18%	19%	13%	13%

Based on 1,571 non-upper-class respondents

Q: Please tell me the types of schools your child or children attends: public, charter, magnet, Catholic or some other private school?

	Lower class	Middle class	Upper class
Public	62%	44%	39%
Charter or magnet	31%	28%	27%
Catholic	11%	21%	13%
Other private	7%	14%	27%

Based on 477 respondents with school-age children in household

Appendix 4: Characteristics of the Middle Class

Homeownership

Year	Philadelphia	Region	Nation
1980	84%	83%	76%
1990	79%	83%	72%
2000	77%	82%	75%
2010	72%	80%	74%

Household Composition

One person

Year	Philadelphia	Region	Nation
1970	19%	12%	12%
1980	26%	17%	18%
1990	30%	21%	21%
2000	29%	21%	22%
2010	38%	26%	24%

Household Composition

Two people

Year	Philadelphia	Region	Nation
1970	31%	25%	27%
1980	25%	27%	31%
1990	25%	29%	33%
2000	30%	29%	33%
2010	31%	34%	35%

Household Composition

Three or more people

Year	Philadelphia	Region	Nation
1970	50%	63%	61%
1980	49%	55%	51%
1990	47%	50%	46%
2000	42%	50%	45%
2010	31%	41%	42%

Marital Status

Married

Year	Philadelphia	Region	Nation
1970	60%	70%	74%
1980	53%	62%	66%
1990	51%	60%	62%
2000	46%	57%	59%
2010	40%	53%	55%

Marital Status

Never married

Year	Philadelphia	Region	Nation
1970	23%	18%	16%
1980	29%	25%	20%
1990	32%	27%	22%
2000	38%	29%	24%
2010	40%	30%	27%

Marital Status

Separated, divorced, widowed

Year	Philadelphia	Region	Nation
1970	17%	12%	11%
1980	17%	13%	14%
1990	18%	13%	16%
2000	16%	14%	18%
2010	20%	17%	18%

Number of Children

Zero

Year	Philadelphia	Region	Nation
1970	57%	46%	45%
1980	57%	51%	53%
1990	57%	54%	55%
2000	60%	54%	57%
2010	67%	61%	61%

Number of Children

One

Year	Philadelphia	Region	Nation
1970	19%	18%	18%
1980	18%	18%	18%
1990	22%	19%	19%
2000	20%	19%	18%
2010	16%	17%	17%

Number of Children Two

Year	Philadelphia	Region	Nation
1970	12%	17%	18%
1980	15%	18%	18%
1990	14%	18%	17%
2000	15%	19%	16%
2010	11%	14%	14%

Number of Children Three

Year	Philadelphia	Region	Nation
1970	6%	10%	11%
1980	5%	8%	8%
1990	6%	6%	6%
2000	4%	6%	6%
2010	5%	6%	5%

Number of Children Four or more

Year	Philadelphia	Region	Nation
1970	6%	10%	8%
1980	4%	4%	4%
1990	2%	2%	2%
2000	1%	2%	2%
2010	1%	2%	2%

Age Under 18

Year	Philadelphia	Region	Nation
1970	26%	34%	34%
1980	23%	27%	27%
1990	20%	22%	24%
2000	19%	23%	24%
2010	20%	23%	22%

Age 18-34

Year	Philadelphia	Region	Nation
1970	28%	25%	26%
1980	31%	31%	32%
1990	30%	30%	29%
2000	26%	26%	25%
2010	26%	23%	25%

Age 35-54

Year	Philadelphia	Region	Nation
1970	27%	26%	25%
1980	24%	25%	23%
1990	27%	28%	27%
2000	36%	34%	32%
2010	29%	29%	29%

Age 55 and over

Year	Philadelphia	Region	Nation
1970	20%	15%	15%
1980	22%	18%	17%
1990	23%	22%	19%
2000	19%	18%	19%
2010	25%	25%	25%

Race White

Year	Philadelphia	Region	Nation
1970	74%	87%	84%
1980	73%	87%	82%
1990	62%	84%	92%
2000	58%	82%	89%
2010	54%	79%	87%

Race Black

Year	Philadelphia	Region	Nation
1970	26%	13%	11%
1980	26%	12%	11%
1990	33%	13%	7%
2000	40%	14%	8%
2010	42%	18%	10%

Race

Other (Asian, Native American, mixed race)

Year	Philadelphia	Region	Nation
1970	0%	0%	5%
1980	1%	1%	7%
1990	5%	3%	1%
2000	2%	3%	2%
2010	4%	4%	3%

Educational Attainment

Less than high school

Year	Philadelphia	Region	Nation
1970	44%	36%	35%
1980	32%	24%	24%
1990	21%	14%	17%
2000	12%	8%	13%
2010	8%	7%	10%

Educational Attainment

High school or equivalent

Year	Philadelphia	Region	Nation
1970	38%	42%	42%
1980	44%	46%	44%
1990	48%	44%	42%
2000	36%	36%	35%
2010	42%	37%	32%

Educational Attainment

Some college, no degree

Year	Philadelphia	Region	Nation
1970	10%	11%	14%
1980	13%	15%	18%
1990	16%	18%	21%
2000	20%	20%	22%
2010	15%	18%	21%

Educational Attainment

Four or more years of college

Year	Philadelphia	Region	Nation
1970	8%	11%	10%
1980	11%	16%	15%
1990	15%	24%	21%
2000	32%	36%	31%
2010	35%	37%	37%

Sources of Income

Wages and salary

Year	Philadelphia	Region	Nation
1970	91%	92%	90%
1980	84%	86%	84%
1990	80%	82%	81%
2000	81%	85%	85%
2010	81%	80%	82%

Sources of Income

Government payments

Year	Philadelphia	Region	Nation
1970	6%	5%	5%
1980	9%	7%	7%
1990	10%	8%	9%
2000	9%	7%	8%
2010	11%	12%	11%

Sources of Income

Investment income

Year	Philadelphia	Region	Nation
1970	4%	4%	5%
1980	8%	8%	9%
1990	10%	10%	10%
2000	10%	8%	8%
2010	8%	8%	7%

Earners per Household

Zero

Year	Philadelphia	Region	Nation
1970	6%	4%	6%
1980	7%	6%	9%
1990	11%	9%	11%
2000	9%	9%	10%
2010	12%	15%	12%

Earners per Household

One

Year	Philadelphia	Region	Nation
1970	43%	44%	42%
1980	37%	34%	30%
1990	29%	24%	27%
2000	32%	27%	28%
2010	38%	31%	29%

Earners per Household

Two

Year	Philadelphia	Region	Nation
1970	35%	35%	36%
1980	34%	36%	41%
1990	38%	42%	43%
2000	40%	41%	43%
2010	35%	40%	41%

Employment Sector

Manufacturing and construction

Year	Philadelphia	Region	Nation
1970	33%	40%	35%
1980	25%	31%	30%
1990	18%	24%	25%
2000	14%	18%	23%
2010	10%	16%	18%

Employment Sector

Transportation, wholesale and retail trade

Year	Philadelphia	Region	Nation
1970	24%	23%	26%
1980	28%	26%	26%
1990	22%	26%	27%
2000	20%	26%	27%
2010	25%	26%	25%

Employment Sector

Finance, insurance, real estate, business and professional services

Year	Philadelphia	Region	Nation
1970	28%	26%	25%
1980	35%	33%	30%
1990	46%	40%	34%
2000	50%	46%	37%
2010	53%	47%	42%

Employment Sector

Other

Year	Philadelphia	Region	Nation
1970	15%	11%	14%
1980	11%	10%	13%
1990	15%	11%	14%
2000	16%	10%	13%
2010	12%	12%	14%

Endnotes

- 1 Distributions are based on Current Population Survey data for adults living in households that fit income definitions for lower, middle, or upper class. Middle class is defined as 67 to 200 percent of regional median income. Figures are adjusted for changes in average household size over time. Noncash transfers, such as food stamps, health benefits, subsidized housing, and energy assistance, are not included.
- 2 Conversation with Rakesh Kochhar, associate director of research, Hispanic Trends Project, Pew Research Center, and an author of *The Lost Decade of the Middle Class: Fewer, Poorer, Gloomier* (August 2012), <http://www.pewsocialtrends.org/2012/08/22/the-lost-decade-of-the-middle-class>.
- 3 Interview with Mayor Michael Nutter, Oct. 21, 2013.
- 4 In this report, the region includes Philadelphia and Bucks, Montgomery, Chester, Delaware, Burlington, Camden, Gloucester, and Salem counties.
- 5 Distributions are based on Current Population Survey data on adults living in households that fit income definitions for lower, middle, or upper class. Middle class is defined as 67 to 200 percent of national median income. Figures are adjusted for changes in household size over time.
- 6 Distributions for each city are based on American Community Survey, 2007–2011, five-year estimate, data for total population. Middle class is defined as 67 to 200 percent of regional median income for each city. Figures do not take into account household size and excludes those living in group quarters and who reported negative, break-even, or zero income.
- 7 Interview with Joel Kotkin, fellow in urban futures, Chapman University, Oct. 11, 2013.
- 8 1970 census data were converted into 2010 census tracts to facilitate a comparison across decades. Allocation formulas came from the US 2010 Project, <http://www.s4.brown.edu/us2010/Researcher/Bridging.htm>.
- 9 Home-ownership data are not available for 1970. Regional middle-class homeownership fell from 83 to 80 percent since 1980. Nationally, the decline was from 76 to 74 percent over the same period.
- 10 Michael Matza and John Duchneskie, “Poverty Surges in Lower Northeast,” *The Philadelphia Inquirer*, Jan. 3, 2011.
- 11 The Pew Charitable Trusts, Philadelphia research initiative, *Philadelphia 2013: The State of the City* (Philadelphia: The Pew Charitable Trusts, 2013).
- 12 Interview with Joseph DeFelice, past president, Mayfair Civic Association, April 10, 2013.
- 13 Pew analysis of Current Population Survey.
- 14 Pew analysis of American Community Survey, 2007–2011, five-year estimate.
- 15 Pew analysis of American Community Survey, 2007–2011, five-year estimate.
- 16 American Community Survey, 2007–2011, five-year estimate.
- 17 Interview with Frances Aulston, Wynnefield resident, Sept. 19, 2013.
- 18 Among all adults in the city, the percentage without a high school degree dropped from 50 to 15 percent, and the percentage with a college education increased from 8 to 31 percent.
- 19 In 1970, the Current Population Survey asked for the highest number of years of college completed. Beginning in 1992, high school graduates were asked for their highest degree or diploma attained.
- 20 Interview with Cheryl James, West Philadelphia resident, Nov. 25, 2013.
- 21 Interview with Steven G. Cochrane, managing director, Moody’s Analytics, Aug. 14, 2013.
- 22 Interview with Roger D. Simon, professor of history, Lehigh University, June 11, 2013.
- 23 Interview with Leonard Press, former Logan resident, Sept. 19, 2013.
- 24 American Community Survey, 2007–2011, five-year estimate, percentage of residents who had received food stamps in the prior 12 months.
- 25 Interview with Karen L. Black, principal, May 8 Consulting, April 21, 2013.
- 26 The Pew Charitable Trusts, *Philadelphia 2013*.
- 27 Ibid.
- 28 Interview with Michael Katz, professor of history, University of Pennsylvania, May 8, 2013.
- 29 Interview with Tom Longo, owner, Metro Mens Clothing, Sept. 16, 2013.

- 30 American Community Survey, 2007–2011, five-year estimate.
- 31 Interview with Lavea Brachman, executive director, Greater Ohio Policy Center, Oct. 16, 2013.
- 32 Interview with Carolyn Adams, professor of urban public policy, Temple University, July 12, 2013.
- 33 Interview Oct. 21, 2013.

